

Community Experience

Running an on-site retail oncology pharmacy

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There are a number of issues to consider when you are weighing whether to open an on-site retail pharmacy. Here are some questions—and answers gleaned from our experience—that you and your staff can explore:

How do we deal with licensing issues?

Obviously, a pharmacy cannot open for business until it is inspected and licensed by the state and the Drug Enforcement Agency (DEA). (Without a DEA license you won't be able to dispense narcotic medications.) In addition to these licenses, prescription insurance payers will want to know that you have liability insurance in place. An experienced retail pharmacy manager or consultant can move this process along efficiently. You'll also need to be aware of your state's particular laws pertaining to pharmacy operations, whether it's a typical retail pharmacy or a physician dispensing in-house. For example, some state laws require a specific amount of space be devoted to the pharmacy, and a certain number of hours that the pharmacy be open each week.

What medications should we stock?

We stock many oncology oral medications that patients can find only at our pharmacy. Because many patients eventually develop tolerance

to their pain medications, we stock a wide variety of pain killers that many pharmacies do not. We also carry all the support medications to control nausea and vomiting, as many of our patients fear these side effects of chemotherapy the most.

How do we weigh third party reimbursement plans and determine prescription pricing?

Most patients now have prescription insurance, so each pharmacy contract must be scrutinized to make sure you receive adequate reimbursement. Many drug wholesalers and buying groups offer prescription insurance plan contracting; often these groups can negotiate higher reimbursement rates for the pharmacy. There is a fee for this service, but it can be worthwhile; completing paperwork for prescription insurance plan contracts can be very time consuming.

Setting prices for your drugs can be tricky, as many patients think a clinic pharmacy will be more expensive than the corner drugstore. We overcame this perception by special pricing a small number of the commonly used supportive medications and offering to match the price of any other local pharmacies.

Many prescription insurance contracts offer the option of filling a 30- or 90-day supply of medication. In our experience, the reimbursement rate for dispensing a 90-day supply is very low or just breakeven. Unless

there is a strong demand for a 90-day supply of medication by the patients, we usually decline that part of the contract. The medication needs of our oncology patients are constantly changing, and giving the patient a 90-day supply of medication is almost always inappropriate and a waste of healthcare resources.

What role does the pharmacist play in a practice?

In our practice (we have 12 oncologists, 6 mid-level providers, and 35 nurses, of which 29 are full-time employees) the pharmacist in charge hires staff, trains, coaches, and reviews them as needed. The pharmacist interacts with both nurses and physicians to help address patient needs. After patients learn about their chemotherapy regimens and related side effects from our nurses, they bring their prescriptions to the pharmacy where any questions about their supportive care medications can be answered, prescriptions filled, and related counseling offered. We interact with our patients at the pharmacy to make sure their support medications are helping them and if not, we call the prescribing oncologist to have them changed.

How can we ensure patient safety?

Before a prescription reaches the patient's hand, the pharmacist performs the last safety check. Are the drug dosage and directions correct?

Have any new medications been added from different healthcare providers? If so, are there any potential interactions that may affect the patient's chemotherapy regimen? In many cases, patients have questions about their medication that they have forgotten to ask their doctor or nurse and because the pharmacy

is often the last stop they make before they leave the clinic, it's the moment to tie up loose ends.

How can we retain pharmacy business?

Many patients have a relationship with a local pharmacy and don't wish to change. But an empathetic and helpful pharmacy staff goes a long

way toward winning patients' loyalty. Consider offering local delivery service as a convenience to patients. When we did that in 2006, we noticed a marked increase in our refill retention rate.

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